

**INNOVATION CAPABILITIES, WORK DISCIPLINE, LEADER SUPERVISION
AND THEIR EFFECT ON EMPLOYEE PERFORMANCE PANDE IRON
CRAFTS CENTER IN BLITAR REGENCY**

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Abstract: *This study aims to determine the effect of innovation ability, work discipline, leadership supervision on the performance of Clushter Blacksmith employees in Blitar Regency. This research type is explanatory research with quantitative method. The population is permanent employees of Clushter Blacksmith, totaling 50 people with a complete enumeration sampling technique. Using a questionnaire to collect primary data related to innovation ability, work discipline, leadership supervision and employee performance. Data processing using Multiple Linear Regression Analysis with SPSS (Statistical Package for the Social Science) application. The results showed that innovation ability had a significant positive effect on the performance of the Blacksmithemployees performance in Blitar Regency. The higher the employee's innovation ability, the higher the employee's performance through the use of technology and information to develop, produce and market new products for the industry. Work discipline has a positive and significant effect on the performance of the Blacksmithemployees performance in Blitar Regency. The higher the employee's work discipline will have a good impact on employee performance. Supervision of the leadership has a positive and significant effect on the performance of the Blacksmithemployees performance in Blitar Regency. Supervision of the leadership is carried out to evaluate each employee's performance on a regular basis and provide input so that the performance of the employees develops.*

Keywords: *Innovation ability, work discipline, leadership supervision, employee performance*

1. Introduction

Micro, small, medium and large scale industries (IMKMB) are economic activities that process raw materials into semi-finished goods, and/or finished goods with a higher value. One type of IMKMB is the Metal Industry (Tobing M. 2013). In the metal industry, there are four types of craftsmen, namely, gold craftsmen, silver craftsmen, brass craftsmen, and blacksmiths. (Law of the Republic of Indonesia No. 3 of 2014). IMKMB is a contributor to national economic growth, so the government is committed to fostering and developing this industry, especially on the islands of Sumatra, Java and Bali in a sustainable manner (Deperind: 1995).

The blacksmith craft business is one of the creative economic activities and this business is usually centered in the form of a cluster (clushter) as happened in Blitar Regency (Disperindag Blitar Regency: 2017). This business is the livelihood of the local community and continues to this day by using the main production equipment of a reserved stove made of stone which functions as a place to heat iron and a manual wind pump (Disperindag Blitar: 2017). Auxiliary

tools for grinding, engraving knife, electric set and cooling bath, hammer, clamp, metal cutter, iron welder, armature vise, punching chisel, hand file, hammer sprinkling, hammer anvil and water sprinkler. Using scrap iron raw materials, namely; springs, round iron, malleable iron, and brass, auxiliary materials; firewood, charcoal, varnish, sandpaper, spirit. With the knowledge that has been passed down from generation to generation from the ancestors as the main capital that is upheld by every blacksmith craftsman (Disperindag Blitar Regency: 2017). Workers with a secondary education level, with a pattern of new employee recruitment that does not apply the usual pattern of recruitment and selection. Types of products in the metal blacksmith industry sector include; kitchen knives, dodos, hoes, machetes, knives, eggrek, gongs, sickles, crowbars and other agricultural, plantation and household tools. Marketing of local market products and a small part across provinces (Disperindag Blitar Regency: 2017).

The results of the initial survey showed that the problems at the Iron Pande Craft Center in Blitar Regency consisted of; 1) the low innovation ability of employees, which is indicated by the quality of blacksmith products that are not standardized, 2) the low level of employee discipline resulting in the continuity of production that is not guaranteed, 3) the low level of leadership supervision of employees which is indicated by the unstable employee performance. With these problems, the Iron Pande Craft Industry Center is less able to compete and difficult to develop on a higher industrial scale even though this blacksmith craft industry has been operating for hundreds of years from generation to generation. With the COVID-19 pandemic, blacksmith craft activities only operate with a production capacity of 10 percent because employees are laid off while the pandemic is still ongoing. (Disperindag Blitar Regency: 2017) This study aims to determine the ability of innovation, work discipline, supervisory leadership and their influence on employee performance at the Pande Besi Craft Center in Blitar Regency.

2. Research Method

This type of research is explanatory research with a quantitative approach. The population in this study were all permanent employees of the Pande Besi Craft Center in Blitar Regency, totaling 50 employees. This study uses the census method (complete enumeration), where all members of the population are also used as a sample of 50 employees (Sugiyono. 2016)

Using primary data and questionnaires for data collection. The independent variables in this study were Innovation Ability (X1), Work Discipline (X2) and Leadership Supervision (X3). The dependent variable is employee performance. This study uses multiple linear regression analysis with F test and t test.

Regression feelings

$$KK = a + b_1KI + b_2DK + b_3SP + e_i$$

Information:

KK = Employee Performance

a = Constant

KI = Innovation Ability

DK = Work Discipline

SP = Leadership Supervision

b1, b2, b3 = Slope, Regression line coefficient

e_i = Error or interruption

3. Results and Discussion

Based on the SPSS output in the coefficients table, the regression equation can be formulated as follows:

$$Y = 0.100 + 0.713 X_1 + 0.200 X_2 + 0.285 X_3 + r$$

From the above equation can be explained as follows:

- a. The regression constant value of 0.100 indicates that the variables of Innovation Ability, Work Discipline, and Leadership Supervision with constant conditions or $X = 0$, then the performance of employees at the Iron Pande Craft Center in Blitar Regency is 0.100 units.
- b. X_1 (Innovation Ability) with a regression coefficient of 0.713, the value of this regression coefficient is positive which indicates a unidirectional relationship between the innovation ability variable and the employee performance variable. This indicates that each indicator contained in the variable of innovation ability has a significant influence. Thus, through the ability to innovate, it can support the performance of the employees of the Iron Pande Craft Center in Blitar Regency.
- c. X_2 (Work Discipline) with a regression coefficient of 0.200, the value of this regression coefficient is positive which indicates a unidirectional relationship between the work discipline variable and the employee performance variable. This indicates that each indicator contained in the work discipline variable has a significant influence. Thus, through work discipline, it can support the performance of the Iron Pande Craft Center employees in Blitar Regency.
- d. X_3 (Leadership Supervision) with a regression coefficient for Leadership Supervision of 0.385, the value of this regression coefficient is positive which indicates a unidirectional relationship between the leadership supervision variable and the employee performance variable. This indicates that each indicator contained in the Leadership Supervision variable has a significant influence. Thus, through the Supervision of the Leaders, they can support the performance of the employees of the Iron Pande Craft Center in Blitar Regency.

R Square of 0.7114 means that the variables of innovation ability, work discipline and leadership supervision affect employee performance by 71.14% while the remaining 28.86.6% is influenced by other variables that are not known and are not included in this regression analysis. Table 4.14 also shows adjusted R Square 0.6926 (always smaller than R Square). This means that 71.14% of the variation of employee performance is explained by variations of the three independent variables. While the remaining 28.86% is explained by other variables not examined in the study.

The F test was conducted to test the research model whether innovation ability, work discipline and leadership supervision simultaneously significantly influence employee performance. The F test is done by looking at the significance level of less than 5% ($\alpha : 5\% = 0.05$). The results of data processing on SPSS 20 can be seen in table 4.22:

This can be seen in the p-value of $0.000 < \text{significance level of } 0.05$, which means that H_0 is rejected so that it can be concluded that there is a relationship between the independent variables simultaneously (simultaneously) affecting the dependent variable. So innovation ability, work discipline and leadership supervision simultaneously have a significant effect on employee performance.

The t-test was used to test the first (H1), second (H2) and third (H3) hypotheses. The t-test was conducted to determine the effect of each independent variable partially on the dependent variable. The value of the t test can be seen from the p-value or the significant value of $t < 5\%$ (0.05) in each independent variable (can be seen in Table 4.22).

To test each regression coefficient, a t-test was used with the following results:

- Innovation Ability Variable: $H_0: 1 = 0$ to $H_a: 1 \neq 0$. Based on the significance value or p-value = 0.002 < 0.05. This is strong evidence that $H_0: 1 = 0$ and $H_a: 1 \neq 0$ is accepted. So the first hypothesis (H1) which states that innovation ability affects employee performance is accepted.
- Work Discipline Variable: $H_0: 2 = 0$ to $H_a: 2 \neq 0$. Based on the significance value or p-value = 0.046 < 0.05. This is strong evidence of the rejection of $H_0: 2 = 0$ and $H_a: 2 \neq 0$ is accepted. So the second hypothesis (H2) which states that work discipline affects employee performance is accepted.
- Leadership Supervision Variable: $H_0: 3 = 0$ to $H_a: 3 \neq 0$. Based on the significance value or p-value = 0.032 < 0.05. This is strong evidence of the rejection of $H_0: 3 = 0$ and $H_a: 3 \neq 0$ is accepted. So the third hypothesis (H3) which states that leadership supervision affects employee performance is accepted.

Table 1
Partial Coefficient of Determination Results

Variable	Partial correlation (r)	Partial determination (r^2)
Innovation Ability (X1)	0,445	0,19803
Work discipline (X2)	0,290	0,08410
Leadership Supervision (X3)	0,310	0,09610

Based on Table = the coefficient of partial determination can be explained as follows:

- The value of partial determination of Innovation Ability (X1) is 0.198, indicating that the effect of Innovation Ability on employee performance is 0.198.
- The value of partial determination of Work Discipline is 0.084, indicating that the effect of Work Discipline on employee performance is 0.084.
- The value of partial determination of leadership supervision is 0.096, indicating that the influence of leadership supervision on employee performance is 0.096. The greatest value of partial determination is in the innovation ability variable, which is 0.198, this shows that the innovation ability variable has a dominant effect on employee performance.

Discussion

The Influence of Innovation Ability on Employee Performance

Based on the results of multiple linear regression analysis shows that the ability to innovate has an effect on employee performance. The results of this study support Muhammad S. and Atikha S. C (2016), Ludiya (2020) Urip S & Susanto T. (2013), that innovation is an activity that is carried out continuously, through a long and cumulative process, including many processes. decision making, starting from the discovery of ideas to their implementation in the market which is manifested in improving employee performance.

Innovation creates new conveniences for human life through the discovery or new development of innovative ideas that are successfully realized. An innovation is also closely related to product innovation. Product innovation is a new creation that contains several elements of new technology, new services and solutions, new experiences, new processes and methods. A very valuable result, a new fashion and design, an item or a social product that is useful for many people.

As explained by Tidd (2001: 8) innovation is economic and social success thanks to the introduction of new ways or new combinations of old ways of transforming inputs into outputs that create major changes in the relationship between use value and prices offered to consumers and /or users, communities, societies and environments.

Innovation can increase self and employee productivity in the workplace. When observing for several times, we find many employees who are not enthusiastic in completing their work. They like to procrastinate and often miss deadlines. If this is what happens to yourself or employees in the company, then innovation can be the best solution.

Using our creative ideas to think about things that could actually be simplified, such as company policies that are too binding and make it difficult for employees to make them feel even more depressed. What part of the policy do you think we can simplify? Or maybe the workspace looks very dark and boring, then what innovations can be made to make the workspace more interesting and fun because strong innovation within the company will make its employees more "live" and have reliable performance.

The Effect of Work Discipline on Employee Performance

Based on the results of multiple linear regression analysis shows that work discipline has an effect on employee performance. The results of this study support Mahirah B. and Fatnah (2018). Hutapea (2018), (Likdanawati. 2018) which emphasizes that discipline is "the behavior of a person in accordance with the regulations, existing work procedures or discipline is an attitude, behavior, and actions that are in accordance with the regulations of the organization, both written and unwritten.

The high work discipline of employees will have a good impact on employee performance. With high employee work discipline, employee awareness will increase that they are an employee and the best work results. Discipline is the most important function of human resource management which is the key to achieving goals because without good discipline it is difficult to achieve maximum goals. Discipline is a series of behavior of a person who shows an attitude that reflects obedience and obedience in carrying out duties and obligations in order to achieve goals.

Discipline enforcement through the law needs to be applied because employees who violate and ignore the rules set by the company will receive action, the actions taken are not merely to give punishment but to develop company regulations. Work discipline can be seen as something that has great benefits, both for the benefit of the organization and for the employees. For organizations, the existence of work discipline will ensure the maintenance of order and the smooth implementation of tasks, so that optimal results are obtained. Thus, employees can carry out their duties with full awareness and can develop their energy and mind as much as possible for the realization of the expected goals.

The work discipline factor has a strategic role in the organization, it can even be said that employee work discipline is one of the keys to success in improving employee performance. Hasibuan (2016), states that employee work discipline is a person's awareness and willingness to obey company regulations and applicable social norms. Work discipline must be owned by every employee and cultivated in the work environment in order to support the implementation of work and overall organizational goals. The implementation of discipline based on awareness and desire to achieve change will create harmony in achieving goals.

As said by Rasyidi A, (2013) that the application of work discipline to employees who work well, then the quality of work and employee work indicators will increase, so that company goals can be achieved.

The Effect of Leadership Supervision on Employee Performance

Based on the results of multiple regression analysis shows that leadership supervision has a significant positive effect on employee performance. The results of this study support Rahmawati N (2016). According to Rowe, et al (2007) supervision is an activity that is the responsibility of managers to provide support, develop knowledge and skills as well as group, individual or team values. According to experts the definition of supervision consists of from the word "super" and the word "vision" where each word means above and also vision.

Supervision of the leadership carried out by the Iron Pande Craft Center in Blitar Regency is carried out by: (1) Guidance and Guidance provided by the leadership of this company in accordance with the needs of employees; (2) The leadership of this company always provides direction when needed by employees; (3) The leadership of this company provides motivation for every employee in an effort to improve performance; (4) The company leadership evaluates each employee's performance on a regular basis and provides input so that the performance of the employees develops.

Leadership Supervision means the ability of a leader to act in a real way towards his subordinates so that they want to carry out their duties and functions in a company efficiently and effectively. A manager or supervisor or business unit leader must be able to bring his team to the set targets. With limited time and energy, it will be more effective if a leader delegates some of his main tasks that are technical in nature to his subordinates. For this reason, other field tasks need to be delegated to team members. The balance of a leader is given the authority to make decisions and assign tasks to the people under his responsibility. This authority must be used appropriately, meaning that managers must balance the use of this authority. He needs to know when to use this authority and when to hold back and let his subordinates work by optimizing their creativity.

4. Conclusion

Conclusion

Based on the results of the research and discussion described in the previous chapter, the conclusions in this study are as follows:

1. The ability of innovation has a significant positive effect on the performance of the employees of the Pande Besi Craft Center in Blitar Regency. The higher the employee's

innovation ability, the higher the employee's performance through the use of technology and information to develop, produce and market new products for the industry.

2. Work Discipline has a positive and significant impact on the performance of the Iron Pande Craft Center employees in Blitar Regency. The higher the employee's work discipline, the better the employee's performance.
3. Leadership Supervision has a positive and significant impact on the performance of the employees of the Iron Pande Craft Center in Blitar Regency. Supervision of the leadership is carried out to evaluate each employee's performance on a regular basis and provide input so that the performance of the employees develops.

Limitations of the Research

Overall, this study is not without its limitations. This is set aside so that the limitations can be used as a reference for improvement for future research. The limitations of this study can be explained as follows:

1. This study only focuses on the effect of employee innovation ability, work discipline and leadership supervision on the performance of the employees of the Iron Pande Craft Center in Blitar Regency.
2. The object of this research is the employees of the Iron Pande Craft Center in Blitar Regency. The selection of these objects is because they want to know the level of employee innovation ability, work discipline and leadership supervision so that the performance of the employees of the Iron Pande Craft Center in Blitar Regency. This research has not explained in detail what innovations are being carried out, whether product innovation, process innovation, service innovation, organizational innovation, or business model innovation.

Suggestions

Based on the conclusions above, the suggestions that can be submitted are as follows:

1. Product innovation can be done by making small knives for household needs that are not coated with iron and have been given a simple handle. This small knife has proven to be in great demand by housewives because it is very sharp and can be used immediately without having to buy and install a handle again.
2. To improve work discipline, employees should enforce Standard Operating Procedures in completing work and provide sanctions for employees who are less disciplined.
3. Increasing the supervisory role of the leader as a director, namely providing direction and designing a system in achieving the work target of the Blacksmith Craft Center.

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